

Instructions to the Additional Data to Annual Statement

General Instructions

Complete the information for business in the state of Washington. Fill in the reporting year, company name, and NAIC number. If the company name, NAIC company code or year is omitted, the report will not be accepted. Form IC-13A-HC and Form IC-14-HMO will be available on the OIC Internet web site.

Combine the State Children's Health Insurance Program (S-CHIP) with the Title XIX Medicaid.

Analysis of Washington Operations By Lines Of Business

This page is based upon the Analysis Of Operations By Lines Of Business (Gain And Loss Exhibit). For companies operating solely in Washington, it will be identical to page 7 of the annual statement, and those companies have an option to not fill in this schedule.

Analysis of the Washington Comprehensive Line

This page separates the Washington Comprehensive (Hospital and Medical) column into additional lines. Column 1 of this schedule will be identical to the figures in the Analysis of Washington Operations By Lines Of Business, column 2, and, if operating solely in Washington, it will be identical to page 7, column 2 of the annual statement.

Small Group is defined in RCW 48.43.005.

Group Enrollment and Utilization in Washington

Page 3 separates the Group Comprehensive (Hospital and Medical) column from the Washington Exhibit of Premiums, Enrollment and Utilization. The figures shown in Column 1 will be identical those in the annual statement on page 34 (Washington), column 3.

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Instructions to the Additional Data to Annual Statement

Indemnity Deposit Calculation

Note: The following annual statement cross-references presume a company operates solely in Washington.

Health Care Service Contractor:

1.) Line B1, column 1 is the sum of column 3 plus column 4 of page 11, Part 2B, line 9 of the annual statement. Separate the total amount in column 1 into columns 2 (Service Benefits) and 3 (Non-Service Benefits). Input the Non-Service Benefits figure and the Service Benefits figure automatically calculates the difference.

2.) Line B2 automatically calculates the percentage distribution of columns 2 (Service Benefits) and 3 (Non-Service Benefits) to line B1, column 1. In the absence of a better basis, the percentage distribution may be based upon the percentage of claims paid during the reporting year to participating providers, as defined by RCW 48.44.010(4). Non-Service Benefits (Uncovered Expenditures) refers to company liability for services rendered by

providers who are not participating providers, as defined in RCW 48.44.010(7).

3.) For line B3, carriers should estimate the increase or decrease of claims for the ensuing year due to enrollment, utilization, inflation, rate increases, etc.

4.) Input the Aggregate Policy Reserves (page 3, line 4, column 3 of the annual statement) into line B5, column 1. The indemnity calculation automatically multiplies by the expected experience for Non-Service Benefits percentage.

5.) Input Premiums Received in Advance (page 3, line 6, column 3 of the annual statement) into line B6, column 1. The indemnity calculation will automatically multiply by this figure by the expected experience for Non-Service Benefits percentage.

Limited Health Care Service Contractor:

Certificate held more than three years:

1.) Input line C1 (Uncovered Expenditures) from page 4, line 17, column 1 of the annual statement.

2.) For line C2, companies should estimate the increase or decrease of claims for the ensuing year due to enrollment, utilization, inflation, rate increases, etc.

3.) Line C6 (Aggregate Policy Reserves) comes from page 3, line 4, column 3 of the annual statement.

4.) Line C7 (Premiums Received in Advance) comes from page 3, line 6, column 2 of the annual statement.

Certificate held for LESS than three years:

For line D4, state the full legal name and NAIC company code of the insurance company providing the insurance or guarantee.